

Village of Eau Claire
Berrien County, Michigan

Financial Report
with Additional Information
February 29, 2004

Village of Eau Claire

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Village of Eau Claire

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Independent Auditor's Report

Members of the Village Council
Village of Eau Claire
Eau Claire, Michigan

We have audited the accompanying general purpose financial statements of the Village of Eau Claire as of February 29, 2004 and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Village of Eau Claire management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Eau Claire as of February 29, 2004 and the results of its operations and cash flows of its proprietary fund types for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Plante & Moran, PLLC

May 27, 2004

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Village of Eau Claire

		Governmental Fund Types	
		General	Special Revenue
Assets			
Cash and cash equivalents (Note 2)		\$ 252,580	\$ 65,590
Receivables:			
Taxes		6,481	2,592
Customers		-	-
Due from other governmental units		13,957	10,035
Inventories		-	-
Other assets		271	-
Capital assets (Note 3)		-	-
Amount to be provided for accumulated employee benefits (Note 4)		-	-
		<u>-</u>	<u>-</u>
Total assets		\$ 273,289	\$ 78,217
Liabilities and Fund Equity			
Liabilities			
Accounts payable		\$ 1,658	\$ -
Accrued and other liabilities		2,815	-
Long-term debt (Note 4)		-	-
		<u>-</u>	<u>-</u>
Total liabilities		4,473	-
Fund Equity			
Investment in general fixed assets		-	-
Contributed capital		-	-
Retained earnings:			
Unreserved		-	-
Fund balances:			
Unreserved:			
Designated (Note 6)		93,235	-
Undesignated		175,581	78,217
		<u>268,816</u>	<u>78,217</u>
Total fund equity		268,816	78,217
Total liabilities and fund equity		\$ 273,289	\$ 78,217

Combined Balance Sheet – All Fund Types and Account Groups
February 29, 2004

Proprietary Fund Types		Account Groups		Total Primary Government (Memorandum Only)	
Enterprise	Internal Service - Equipment Fund	General Fixed Assets	General Long- Term Debt	February 29, 2004	February 28, 2003
\$ 268,661	\$ 15,961	\$ -	\$ -	\$ 602,792	\$ 542,519
-	-	-	-	9,073	6,451
24,701	-	-	-	24,701	25,412
-	-	-	-	23,992	16,920
2,378	-	-	-	2,378	2,378
-	-	-	-	271	17,491
218,592	75,277	374,983	-	668,852	610,062
-	-	-	1,796	1,796	6,897
\$ 514,332	\$ 91,238	\$ 374,983	\$ 1,796	\$ 1,333,855	\$ 1,228,130
\$ 2,704	\$ 505	\$ -	\$ -	\$ 4,867	\$ 3,831
-	-	-	-	2,815	3,725
-	25,313	-	1,796	27,109	14,905
2,704	25,818	-	1,796	34,791	22,461
-	-	374,983	-	374,983	339,899
90,103	-	-	-	90,103	90,103
421,525	65,420	-	-	486,945	463,210
-	-	-	-	93,235	125,000
-	-	-	-	253,798	187,457
511,628	65,420	374,983	-	1,299,064	1,205,669
\$ 514,332	\$ 91,238	\$ 374,983	\$ 1,796	\$ 1,333,855	\$ 1,228,130

Village of Eau Claire

Combined Statement of Revenue, Expenditures and Changes in Fund Balances - All Governmental Fund Types Year Ended February 29, 2004

	Governmental Fund Types		Total Primary Government (Memorandum Only)	
	General	Special Revenue	February 29, 2004	February 28, 2003
Revenue				
Property taxes	\$ 120,772	\$ 45,335	\$ 166,107	\$ 158,438
Licenses and permits	3,016	-	3,016	4,491
Federal sources	2,847	-	2,847	627
State sources	84,650	53,974	138,624	143,419
Charges for services	115	-	115	222
Fines and forfeitures	10,288	-	10,288	7,899
Interest and rent	7,579	-	7,579	7,172
Other	14,826	-	14,826	28,380
	<u>244,093</u>	<u>99,309</u>	<u>343,402</u>	<u>350,648</u>
Expenditures				
General government	78,133	-	78,133	69,300
Public safety	96,168	-	96,168	102,866
Public works	16,949	72,935	89,884	92,037
Parks and recreation	43,921	-	43,921	21,154
Library	720	-	720	840
	<u>235,891</u>	<u>72,935</u>	<u>308,826</u>	<u>286,197</u>
Excess of Revenue Over Expenditures	8,202	26,374	34,576	64,451
Other Financing Sources (Uses)				
Operating transfers in	-	23,535	23,535	21,385
Operating transfers out	-	(23,535)	(23,535)	(21,385)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	-	-	-	-
Excess of Revenue and other Financing Sources Over Expenditures and Other Financing Uses	8,202	26,374	34,576	64,451
Fund Balances - Beginning of year	<u>260,614</u>	<u>51,843</u>	<u>312,457</u>	<u>248,006</u>
Fund Balances - End of year	<u>\$ 268,816</u>	<u>\$ 78,217</u>	<u>\$ 347,033</u>	<u>\$ 312,457</u>

Village of Eau Claire

	General Fund		Variance
	Budget	Actual	Favorable (Unfavorable)
Revenue			
Property taxes	\$ 109,000	\$ 120,772	\$ 11,772
Licenses and permits	2,372	3,016	644
Federal sources	40	2,847	2,807
State sources	91,220	84,650	(6,570)
Charges for services	570	115	(455)
Fines and forfeitures	6,010	10,288	4,278
Interest and rent	4,410	7,579	3,169
Other	4,370	14,826	10,456
Total revenue	217,992	244,093	26,101
Expenditures			
General government	90,348	78,133	12,215
Public safety	99,626	96,168	3,458
Public works	15,127	16,949	(1,822)
Parks and recreation	21,275	43,921	(22,646)
Library	360	720	(360)
Total expenditures	226,736	235,891	(9,155)
Excess (Deficiency) of Revenue Over Expenditures	(8,744)	8,202	16,946
Other Financing Sources (Uses)			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Excess (Deficiency) of Revenue and Other Financing Sources Over Expenditures and Other Financing Uses	(8,744)	8,202	16,946
Fund Balances - Beginning of year	260,614	260,614	-
Fund Balances - End of year	<u>\$ 251,870</u>	<u>\$ 268,816</u>	<u>\$ 16,946</u>

**Combined Statement of Revenue, Expenditures and Changes in Fund
Balances - Budget and Actual - All Governmental Fund Types
Year Ended February 29, 2004**

Special Revenue Funds		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 47,500	\$ 45,335	\$ (2,165)
-	-	-
-	-	-
39,200	53,974	14,774
-	-	-
-	-	-
-	-	-
-	-	-
86,700	99,309	12,609
-	-	-
-	-	-
86,700	72,935	13,765
-	-	-
-	-	-
86,700	72,935	13,765
-	26,374	26,374
23,535	23,535	-
(23,535)	(23,535)	-
-	-	-
-	26,374	26,374
51,843	51,843	-
\$ 51,843	\$ 78,217	\$ 26,374

Village of Eau Claire

Combined Statement of Revenue, Expenses and Changes in Retained Earnings - All Proprietary Fund Types Year Ended February 29, 2004

	Proprietary Fund Types		Totals (Memorandum Only)	
	Enterprise	Internal Service - Equipment Fund	February 29, 2004	February 28, 2003
Operating Revenue				
Charges for services	\$ 156,636	\$ -	\$ 156,636	\$ 150,768
Rents	-	36,704	36,704	33,944
State sources	-	-	-	7,729
Other	634	16,039	16,673	8,633
Total operating revenue	157,270	52,743	210,013	201,074
Operating Expenses				
Operating Expenses	139,074	16,941	156,015	157,196
Depreciation	16,092	14,171	30,263	25,828
Total operating expenses	155,166	31,112	186,278	183,024
Net Income	2,104	21,631	23,735	18,050
Retained Earnings - Beginning of year	419,421	43,789	463,210	445,160
Retained Earnings - End of year	<u>\$ 421,525</u>	<u>\$ 65,420</u>	<u>\$ 486,945</u>	<u>\$ 463,210</u>

Village of Eau Claire

Combined Statement of Cash Flows All Proprietary Fund Types Year Ended February 29, 2004

	Proprietary Fund Types		Totals	
			(Memorandum Only)	
	Enterprise	Internal Service - Equipment Fund	February 29, 2004	February 28, 2003
Cash Flows from Operating Activities				
Operating income	\$ 2,104	\$ 21,631	\$ 23,735	\$ 18,050
Adjustments to reconcile operating income to net cash from operating activities:				
Depreciation	16,092	14,171	30,263	25,828
Changes in assets and liabilities:				
Receivables	711	-	711	(6,574)
Due from other governmental units	7,216	-	7,216	(7,216)
Accounts payable	2,122	27	2,149	(1,142)
Accrued and other liabilities	-	(500)	(500)	(472)
Due to other funds	-	-	-	(1,615)
Net cash provided by operating activities	28,245	35,329	63,574	26,859
Cash Flows from Capital and Related Financing Activities				
Principal paid on long-term debt	-	(20,665)	(20,665)	(7,537)
Proceeds from long term debt	-	37,970	37,970	-
Purchase of capital assets	-	(53,969)	(53,969)	(7,039)
Net cash used in capital and related financing activities	-	(36,664)	(36,664)	(14,576)
Net Increase (Decrease) in Cash and Cash Equivalents	28,245	(1,335)	26,910	12,283
Cash and Cash Equivalents - Beginning of year	240,416	17,296	257,712	245,429
Cash and Cash Equivalents - End of year	<u>\$ 268,661</u>	<u>\$ 15,961</u>	<u>\$ 284,622</u>	<u>\$ 257,712</u>

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the Village conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant accounting policies:

Reporting Entity

The Village is governed by an elected five-member Council. In accordance with accounting principles generally accepted in the United States of America, there are no component units to be included in these financial statements.

Fund Accounting

The accounts of the Village are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The various funds are grouped, in the combined financial statements in this report, into generic fund types in two broad fund categories as follows:

Governmental Funds

General Fund - The General Fund contains the records of the ordinary activities of the Village that are not accounted for in another fund. General Fund activities are financed by revenue from general property taxes, state-shared revenue and other sources.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of earmarked revenue or financing activities requiring separate accounting because of legal or regulatory provisions.

Proprietary Funds

Enterprise Funds - Enterprise Funds are used to account for the results of operations that provide a service to citizens that are financed primarily by a user charge for the provision of that service.

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Village, or to other governments, on a cost-reimbursement basis. The Village's only Internal Service Fund is the Equipment Fund that provides large equipment for the street, enterprise, and general funds.

Note 1 - Summary of Significant Accounting Policies (Continued)

Basis of Accounting

The accrual basis of accounting is used by the proprietary funds. All governmental funds and agency funds utilize the modified-accrual basis of accounting. Modifications in such method from the accrual basis are as follows:

- a. Property taxes and other revenue that are both measurable and available for use to finance operations are recorded as revenue when earned. Other revenue is recorded when received.

Properties are assessed as of December 31. The related property taxes are billed and become a lien on July 1 of the following year. The taxes are due with the final collection date as of February 28 before they are added to the county tax roll.

- b. Payments for inventorable types of supplies are recorded as expenditures at the time of purchase.
- c. Normally, expenditures are not divided between years by the recording of prepaid expenses.
- d. The noncurrent portion of accumulated sick and vacation pay liabilities is reflected in the General Long-term Debt Account Group.

Fixed Assets and Long-term Liabilities - Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in the governmental funds. Such assets, which are recorded as expenditures at the time of purchase, do not include certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and lighting systems. No depreciation has been provided on general fixed assets.

All fixed assets are recorded at cost or, if donated, at their estimated fair value on the date donated.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-term Debt Account Group, not in the governmental funds.

The General Fixed Assets Account Group and the General Long-term Debt Account Group are not funds and do not involve the measurement of results of operations.

Fixed assets and long-term liabilities relating to the proprietary funds are accounted for in those funds. Depreciation on such fixed assets is charged as an expense against the operations of the proprietary funds on a straight-line basis.

Note 1 - Summary of Significant Accounting Policies (Continued)

Cash Equivalents - For purposes of the statement of cash flows, the proprietary funds consider all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Inventories - Inventories in the Proprietary Funds are valued at the lower of cost or market, on a first-in, first-out basis.

Purchased Fire Services – The Village purchases fire services from an adjacent municipality. Contributions are based on a percentage of the fire department's expenditures.

Use of Estimates – The preparation of general purpose financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the statements. Actual results could differ from those estimates.

Memorandum Only Totals - The total data presented is the aggregate of the fund types and account groups and is presented for analysis purposes only. No consolidating or other eliminations were made in arriving at the totals; therefore, they do not present consolidated information.

Other accounting policies are disclosed in other notes to financial statements.

Village of Eau Claire

Notes to Financial Statements February 29, 2004

Note 2 - Deposits and Investments

The Village's deposits and investments are included on the balance sheet under the following classifications:

Cash and cash equivalents	\$ <u>602,792</u>
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The above amounts are classified by Governmental Accounting Standards Board Statement Number 3 in the following categories:

Bank deposits (checking accounts, savings accounts and certificates of deposit)	\$ 602,600
Petty cash or cash on hand	<u>192</u>
Total	\$ <u>602,792</u>

Deposits

The above deposits were reflected in the accounts of the bank (without recognition of checks written but not yet cleared or of deposits in transit) at \$602,600. Of that amount, approximately \$300,000 was covered by federal depository insurance and the remainder was uninsured and uncollateralized. The Village believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the Village evaluates each financial institution it deposits Village funds with and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Village of Eau Claire

Notes to Financial Statements February 29, 2004

Note 3 - Capital Assets

A summary of changes in general fixed assets follows:

	Balance March 1, 2003	Additions	Deletions	Balance February 29, 2004
Land and land improvements	\$ 55,513	\$ -	\$ -	\$ 55,513
Buildings and improvements	144,793	-	-	144,793
Equipment and vehicles	<u>139,593</u>	<u>35,084</u>	<u>-</u>	<u>174,677</u>
Total	<u>\$ 339,899</u>	<u>\$ 35,084</u>	<u>\$ -</u>	<u>\$ 374,983</u>

A summary of proprietary fund fixed assets at February 29, 2004 follows:

	Enterprise Funds	Internal Service Fund	Depreciable Life-Years
Land	\$ 43,382	\$ -	-
Utility system:			
Water and sewage transmission lines	120,878	-	20-50
Retention/equalization basin	683,521	-	20-50
Machinery and equipment	<u>62,653</u>	<u>275,892</u>	5-10
Total	910,434	275,892	
Less accumulated depreciation	<u>(691,842)</u>	<u>(200,615)</u>	
Net	<u>\$ 218,592</u>	<u>\$ 75,277</u>	

Village of Eau Claire

Notes to Financial Statements February 29, 2004

Note 4 - Long-Term Debt

Outstanding Debt

The following is a summary of the debt outstanding of the Village:

	<u>Number of Issues</u>	<u>Interest Rate</u>	<u>Maturing Through</u>	<u>Principal Outstanding</u>
General Long-term Debt Account Group				
Accumulated employee benefits				\$ 1,796
Internal Service Fund				
Equipment note payable	1	0.00%	2006	<u>25,313</u>
Total outstanding debt				<u>\$ 27,109</u>

The accumulated employee benefits represent the estimated liability to be paid governmental fund type employees under the Village's sick and vacation pay policy, net of the portion that is estimated will be paid currently (which has been recorded as a liability in the applicable governmental fund). Under the Village's policy, employees earn sick and vacation time based on time of service with the Village.

Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the Village for the year ended February 29, 2004:

	<u>General Long- Term Obligations</u>
Balance - March 1, 2003	\$ 14,905
Decrease in obligation for employee benefits	(5,101)
Debt issued	37,970
Debt retired	<u>(20,665)</u>
Balance - February 29, 2004	<u>\$ 27,109</u>

Note 4 - Long-Term Debt (Continued)

Notes Payable

The future minimum principal payments for all notes payable are as follows:

2005	\$	12,657
2006		<u>12,657</u>
Total	\$	<u>25,314</u>

Interest

Total interest incurred by the Village for the year approximated \$500.

Note 5 - Risk Management

The Village is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation), as well as medical benefits provided to employees. The Village has purchased commercial insurance for property and medical benefit claims, and participates in the Michigan Municipal League risk pool for claims relating to workers' compensation. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Municipal League risk pool program operates as a common risk-sharing management program for local units of government in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

Note 6 - Reserved and Designated Fund Balance

Fund balances have been designated for the following purposes:

General Fund

Designated for park improvements	<u>\$ 93,235</u>
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Note 7 - Budget Information

The annual budget is prepared by the Village President and adopted by the Village Council; subsequent amendments are approved by the Village Council. Unexpended appropriations lapse at year-end; encumbrances are not included as expenditures. The amount of encumbrances outstanding at February 29, 2004 has not been calculated. During the current year, the budget was amended in a legally permissible manner.

The budget has been prepared in accordance with accounting principles generally accepted in the United States of America.

The budget statement (combined statement of revenue, expenditures and changes in fund balances - budget and actual - all governmental fund types) is presented on the same basis of accounting used in preparing the adopted budget.

The budget has been adopted on a line item basis; expenditures at this level in excess of amounts budgeted is a violation of Michigan law. A comparison of actual results of operations to the General Fund budget as adopted by the Village Council is included in the additional information. This comparison includes expenditure budget overruns. A comparison of the actual results of operations to the Special Revenue Funds budgets as adopted by the Village Council is available at the clerk's office for inspection.

Significant expenditure budget overruns for the year ended February 29, 2004 were as follows:

	<u>Budget</u>	<u>Actual</u>
General Fund		
General government - secretary	\$ 3,790	\$ 9,011
Parks and recreation - capital outlay	-	31,765

Village of Eau Claire

Notes to Financial Statements February 29, 2004

Note 8 - Segment Information for Enterprise Funds

The Village maintains three Enterprise Funds that provide sewer, water and trash collection services. Segment information for the year ended February 29, 2004 was as follows:

	Sewer Fund	Water Fund	Sanitation Fund	Total Enterprise Funds
Operating revenue	\$ 58,637	\$ 74,388	\$ 24,245	\$ 157,270
Net income (loss)	(3,489)	2,467	3,126	2,104
Land, buildings and equipment:				
Depreciation expense	12,719	2,944	429	16,092
Net working capital	69,114	216,160	7,762	293,036
Total assets	283,149	223,055	8,128	514,332
Total equity	283,105	220,440	8,083	511,628

Note 9 - Pension Plan

Plan Description - The Village participates in the Michigan Municipal Employees Retirement System, an agent multiple-employer defined benefit pension plan that covers all employees of the Village. The system provides retirement, disability and death benefits to plan members and their beneficiaries. The Michigan Municipal Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to the System at 1134 Municipal Way, Lansing, MI 48917.

Funding policy - The obligation to contribute to and maintain the system for these employees was established by the Village Commission and requires a contribution from the employees of 8.26 percent of gross wages.

Village of Eau Claire

Notes to Financial Statements February 29, 2004

Note 9 - Pension Plan (Continued)

Annual Pension Cost - For year ended February 29, 2004 the Village's annual pension cost of \$6,088 for the plan was equal to the Village's required and actual contribution. The annual required contribution was determined as part of an actuarial valuation at December 31, 2002, using the entry age actuarial cost method. Significant actuarial assumptions used include (a) an 8.0 percent investment rate of return, (b) projected salary increases of 4.5 percent per year, (c) additional projected salary increases ranging from 0.0 percent to 4.2 percent per year depending on age, attributable to seniority/merit, and (d) no postretirement benefit increases. Both (a) and (b) include an inflation component of 4.5 percent. The actuarial value of assets was determined using techniques that smooth the effects of short term volatility over a four year period. The unfunded actuarial liability is being amortized as a level percentage of payroll.

Three Year Trend Information

	February 28		February 29
	2002	2003	2004
Annual pension cost	\$ -	\$ 2,186	\$ 6,088
Percentage of APC contributed	-	100%	100%
Net pension obligation	-	-	-
Actuarial Valuation as of December 31:			
	2000	2001	2002
Actuarial value of assets	\$ 200,369	\$ 214,707	\$ 221,648
Actuarial accrued liability (entry age)	198,147	220,583	284,936
Overfunded (Unfunded) AAL	2,222	(5,876)	(63,288)
Funded ratio	101.12%	97.34%	77.79%
Covered payroll	141,970	139,537	110,430
Overfunded (Unfunded) AAL as a percentage of covered payroll	1.57%	(4.21%)	(57.31%)

Village of Eau Claire

Notes to Financial Statements February 29, 2004

Note 10 - Construction Code Fees

The Village oversees building construction, in accordance with the state's construction code act, including inspection of building construction and renovation to ensure compliance with the building codes. The Village charges fees for these services. Beginning January 1, 2000, the law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year and the cumulative shortfall generated since January 1, 2000 is as follows:

Deficit - March 1, 2003	\$	(796)
Current year building permit revenue		1,249
Related expenses:		
Direct costs	(1,567)	
Estimated indirect costs	<u>(449)</u>	
Total construction code expenses		<u>(2,016)</u>
Cumulative surplus (shortfall) at February 29, 2004	\$	<u>(1,563)</u>

Note 11 - Upcoming Reporting Change

For the year beginning March 1, 2004, the Village plans to adopt GASB Statement Number 34. This will dramatically revise the information being reported in these financial statements. Governmental activities will report information by individually significant fund, as well as in total on the full accrual basis of accounting. Information is not available to present pro-forma data that would show the effect of this future change.

Additional Information



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Members of the Village Council
Village of Eau Claire
Berrien County, Michigan

We have audited the general purpose financial statements of the Village of Eau Claire for the year ended February 29, 2004. Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The additional information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Village of Eau Claire. This information has been subjected to the procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Plante & Moran, PLLC

May 27, 2004

Village of Eau Claire

General Fund Schedule of Expenditures - Budget and Actual Year Ended February 29, 2004

	2004	2004	Variance	2003
	Budget	Actual	Favorable (Unfavorable)	Actual
General Government				
Salaries and wages:				
President	\$ 1,872	\$ 1,268	\$ 604	\$ 1,726
Clerk	12,328	14,373	(2,045)	14,593
Treasurer	1,279	1,917	(638)	1,545
Trustees	3,360	1,950	1,410	2,517
Janitor	1,200	975	225	1,200
Secretary	3,790	9,011	(5,221)	6,969
Legal and audit	4,000	2,286	1,714	3,232
Memberships and dues	900	1,281	(381)	878
Election expenses	-	299	(299)	528
Payroll taxes	9,367	14,355	(4,988)	15,017
Supplies and postage	7,000	5,347	1,653	4,356
Repairs and maintenance	100	-	100	55
Telephone	1,500	1,277	223	1,935
Insurance and bonds	2,670	4,746	(2,076)	3,911
Heat	3,000	2,406	594	2,061
Electric	3,000	2,539	461	2,530
Community center	-	-	-	27
Community benefit	1,000	1,050	(50)	1,687
Capital outlay	1,000	659	341	-
Miscellaneous	32,982	12,394	20,588	4,533
 Total general government	 90,348	 78,133	 12,215	 69,300

Village of Eau Claire

General Fund Schedule of Expenditures - Budget and Actual (Continued) Year Ended February 29, 2004

	2004 Budget	2004 Actual	Variance Favorable (Unfavorable)	2003 Actual
Public Safety				
Police:				
Salaries and wages				
Chief	\$ 16,561	\$ 16,635	\$ (74)	\$ 16,052
Other	35,241	32,429	2,812	41,739
Payroll taxes	3,989	4,087	(98)	-
Workers' compensation insurance	600	556	44	647
Insurance and bonds	2,475	4,988	(2,513)	9,983
Supplies and postage	1,000	1,284	(284)	857
Uniforms	500	353	147	592
Legal	2,000	4,914	(2,914)	1,637
Telephone	2,300	1,972	328	2,776
Vehicle expense	12,000	11,284	716	13,626
Training	1,000	1,026	(26)	273
Capital Outlay	6,720	2,660	4,060	286
Miscellaneous	530	628	(98)	75
Fire:				
Fire station expenses	12,710	11,785	925	11,761
Building inspection - salary	<u>2,000</u>	<u>1,567</u>	<u>433</u>	<u>2,562</u>
Total public safety	99,626	96,168	3,458	102,866
Public Works				
Salaries and wages	1,693	2,559	(866)	973
Health and life insurance	4,434	5,945	(1,511)	6,183
Street lights	<u>9,000</u>	<u>8,445</u>	<u>555</u>	<u>8,594</u>
Total public works	15,127	16,949	(1,822)	15,750

Village of Eau Claire

General Fund Schedule of Expenditures - Budget and Actual (Continued) Year Ended February 29, 2004

	2004 Budget	2004 Actual	Variance Favorable (Unfavorable)	2003 Actual
Parks and Recreation				
Salaries and wages	\$ 9,521	\$ 7,287	\$ 2,234	\$ 6,347
Workers' compensation insurance	138	56	82	217
Equipment rental	6,000	3,956	2,044	5,202
Insurance	1,216	1,216	-	1,086
Maintenance	1,900	1,517	383	1,959
Miscellaneous	2,500	(1,876)	4,376	890
Capital Outlay	-	31,765	(31,765)	1,982
	<u>21,275</u>	<u>43,921</u>	<u>(22,646)</u>	<u>17,683</u>
Total parks and recreation				
	21,275	43,921	(22,646)	17,683
Library				
	<u>360</u>	<u>720</u>	<u>(360)</u>	<u>840</u>
Total expenditures	<u>\$ 226,736</u>	<u>\$ 235,891</u>	<u>\$ (9,155)</u>	<u>\$ 206,439</u>

Village of Eau Claire

	Major Streets	Local Streets
Assets		
Cash and cash equivalents	\$ 16,986	\$ 9,830
Receivables:		
Property taxes	-	-
Due from other governmental units	<u>7,349</u>	<u>2,686</u>
Total assets	<u>\$ 24,335</u>	<u>\$ 12,516</u>
 Fund Balances - Unreserved/Undesignated	 <u>\$ 24,335</u>	 <u>\$ 12,516</u>

**Special Revenue Funds
Combining Balance Sheet
February 29, 2004**

	<u>Totals</u>	
Municipal Streets and Sidewalks	February 29, 2004	February 28, 2003
\$ 38,774	\$ 65,590	\$ 40,296
2,592	2,592	1,843
-	10,035	9,704
<u>\$ 41,366</u>	<u>\$ 78,217</u>	<u>\$ 51,843</u>
 <u>\$ 41,366</u>	 <u>\$ 78,217</u>	 <u>\$ 51,843</u>

Village of Eau Claire

	Major Streets	Local Streets
Revenue		
Property taxes	\$ -	\$ -
State grants and distributions	39,559	14,415
Total revenue	39,559	14,415
Expenditures		
Administrative and direct supervision		
Wages and payroll taxes	5,755	9,440
Professional fees	700	800
Highways and streets		
Routine maintenance	25,501	5,618
Equipment rental	5,138	10,340
Snow removal	218	436
Other	1,504	1,392
Sidewalks	-	-
Parks and recreation	-	-
Total expenditures	38,816	28,026
Excess (Deficiency) of Revenue Over Expenditures	743	(13,611)
Other Financing Sources (Uses)		
Operating transfers in	-	23,535
Operating transfers out	-	-
Total other financing sources (uses)	-	23,535
Excess of Revenue and Other Financing Sources Over Expenditures and Other Uses	743	9,924
Fund Balances - Beginning of year	23,592	2,592
Fund Balances - End of year	\$ 24,335	\$ 12,516

Special Revenue Funds
Combining Statement of Revenue,
Expenditures and Changes in Fund Balances
Year Ended February 29, 2004

Municipal Streets and Sidewalks	Totals	
	February 29, 2004	February 28, 2003
\$ 45,335	\$ 45,335	\$ 42,371
-	53,974	51,779
45,335	99,309	94,150
3,401	18,596	19,982
-	1,500	1,447
700	31,819	30,732
602	16,080	15,183
-	654	26
833	3,729	2,303
557	557	6,614
-	-	3,471
6,093	72,935	79,758
39,242	26,374	14,392
-	23,535	21,385
(23,535)	(23,535)	(21,385)
(23,535)	-	-
15,707	26,374	14,392
25,659	51,843	37,451
\$ 41,366	\$ 78,217	\$ 51,843

Village of Eau Claire

Enterprise Funds Combining Balance Sheet February 29, 2004

	Totals			
			February 29, 2004	February 28, 2003
	Sewer	Water	Sanitation	
Assets				
Cash and cash equivalents	\$ 59,916	\$ 204,984	\$ 3,761	\$ 268,661
Accounts receivable	9,242	11,413	4,046	24,701
Inventories	-	2,378	-	2,378
Due from other governmental units	-	-	-	7,216
Total current assets	69,158	218,775	7,807	295,740
Capital assets	213,991	4,280	321	218,592
Total assets	<u>\$ 283,149</u>	<u>\$ 223,055</u>	<u>\$ 8,128</u>	<u>\$ 514,332</u>
Liabilities and Fund Equity				
Liabilities				
Accounts payable	\$ 44	\$ 2,615	\$ 45	\$ 2,704
Fund Equity				
Contributed capital	73,305	16,798	-	90,103
Retained earnings	209,800	203,642	8,083	421,525
Total fund equity	283,105	220,440	8,083	511,628
Total liabilities and fund equity	<u>\$ 283,149</u>	<u>\$ 223,055</u>	<u>\$ 8,128</u>	<u>\$ 514,332</u>

Village of Eau Claire

Enterprise Funds Combining Statement of Revenue, Expenses and Changes in Retained Earnings Year Ended February 29, 2004

	Totals				
	Sewer	Water	Sanitation	February 29, 2004	February 28, 2003
Operating Revenue					
Charges for services	\$ 58,637	\$ 73,754	\$ 24,245	\$ 156,636	\$ 150,768
State sources	-	-	-	-	7,729
Other revenue	-	634	-	634	7,935
Total operating revenue	58,637	74,388	24,245	157,270	166,432
Operating Expenses					
Salaries and wages	25,026	26,626	2,685	54,337	48,052
Payroll taxes	130	261	-	391	526
Equipment rental expense	1,587	2,958	-	4,545	4,407
Lab tests	1,188	999	-	2,187	2,494
Refuse removal	-	-	16,025	16,025	16,450
Utilities	1,638	2,709	-	4,347	4,847
Maintenance	13,563	10,810	-	24,373	41,657
Professional services	1,500	1,800	1,000	4,300	4,300
Supplies	924	3,142	602	4,668	4,303
Well replacement	-	17,341	-	17,341	10,809
Insurance	3,314	2,090	-	5,404	4,732
Other	537	241	378	1,156	41
Depreciation	12,719	2,944	429	16,092	16,155
Total operating expenses	62,126	71,921	21,119	155,166	158,773
Net Income (Loss)	(3,489)	2,467	3,126	2,104	7,659
Retained Earnings - Beginning of year	213,289	201,175	4,957	419,421	411,762
Retained Earnings - End of year	\$ 209,800	\$ 203,642	\$ 8,083	\$ 421,525	\$ 419,421

Village of Eau Claire

Enterprise Funds Combining Statement of Cash Flows Year Ended February 29, 2004

	Totals				
	February 29, February 28,				
	Sewer	Water	Sanitation	2004	2003
Cash Flows from Operating Activities					
Operating income (loss)	\$ (3,489)	\$ 2,467	\$ 3,126	\$ 2,104	\$ 7,659
Adjustments to reconcile operating income to net cash from operating activities:					
Depreciation	12,719	2,944	429	16,092	16,155
Changes in assets and liabilities:					
Receivables	199	1,706	(1,194)	711	(6,574)
Due from other governmental units	-	7,216	-	7,216	(7,216)
Accounts payable	(435)	2,537	20	2,122	(1,463)
Due to other funds	-	-	-	-	(1,615)
Net cash provided by operating activities	8,994	16,870	2,381	28,245	6,946
Cash Flows from Capital and Related Financing Activities					
Purchase of capital assets	-	-	-	-	(5,787)
Net Increase in Cash and Cash Equivalents	8,994	16,870	2,381	28,245	1,159
Cash and Cash Equivalents - Beginning of year	<u>50,922</u>	<u>188,114</u>	<u>1,380</u>	<u>240,416</u>	<u>239,257</u>
Cash and Cash Equivalents - End of year	<u>\$ 59,916</u>	<u>\$ 204,984</u>	<u>\$ 3,761</u>	<u>\$ 268,661</u>	<u>\$ 240,416</u>

Village of Eau Claire

Internal Service Fund Schedule of Indebtedness

Note Payable - Equipment

Note dated April 28, 2003 \$ 37,970

Less:

Amounts paid in prior years -
Amounts paid in current year 12,657

Balance Outstanding - February 29, 2004 **\$ 25,313**

Payments due as follows:

<u>Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2005	\$ -	\$ 12,657	\$ 12,657
2006	-	12,656	12,656